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PUC PROJECT NO. 51840

RULEMAKING ESTABLISHING ELECTRIC WEATHERIZATION STANDARDS	**§ § §**	**BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS**

LCRA TRANSMISSION SERVICES CORPORATION'S RESPONSE TO COMMISSION STAFF'S REQUEST FOR COMMENTS

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

LCRA Transmission Services Corporation (LCRA TSC) appreciates the opportunity to offer comments in response to the discussion draft and questions posed by the Staff of the Public Utility Commission of Texas (Commission) in this project.

I. EXECUTIVE SUMMARY

- Virtually every transmission service provider (TSP) commenting in this project has outlined the design requirements of the National Electric Safety Code (NESC), which account for different sets of weather conditions across designated regions; the weather-based facility ratings that TSPs develop based on American National Standards Institute (ANSI) and Institute of Electrical and Electronics Engineers (IEEE) standards; and various other mandatory federal and state standards and protocols with the objective of ensuring the safe and reliable design, construction, and operation of transmission facilities. Rather than create an entirely new set of standards based on a new weather study that establishes new weather zones, the Commission should draft a rule that builds on the work the industry has been doing for decades to ensure that transmission facilities are constructed in a safe and reliable manner.

- Existing reports that TSPs are already required to submit to the Commission address all relevant activities related to the design, construction, and operation of transmission facilities to perform in weather emergencies and a range of severe weather conditions. What Senate Bill 3 now requires is for the Commission to exercise its oversight authority to ensure that TSPs are implementing the preparatory measures that they are reporting on to the Commission, and for the Electric Reliability Council of Texas (ERCOT) to perform inspections to ensure compliance. This new rule should integrate into the Commission's existing regulatory oversight framework to promote consistency and completeness and to best utilize the Commission's, ERCOT's, and stakeholders' resources.

II. RESPONSE TO QUESTION 1

Question 1:

What is the availability of statistically reliable weather information from, e.g. the American Society of Heating, Refrigeration and Air Conditioning Engineers; National Weather Service; or other sources for the ERCOT power region? Please share the source of that information.

While reliable weather data is available through the National Weather Service and the National Centers for Environmental Information, LCRA TSC urges the Commission's rule to start with the underlying weather-based data that informs the existing design and construction standards that TSPs are required to follow today. More specifically, the electric utility industry-adopted NESC standards were developed utilizing data available from the United States Weather Bureau relating to the frequency, severity, and effect of ice and windstorms in various parts of the country; these data provided the basis for dividing the continental United States into three loading districts (light, medium and heavy), all of which occur in the ERCOT region. These loading districts for the ERCOT region are shown in Attachment A to these comments.

In developing the NESC standards, industry experts analyzed years of meteorological data and created the load case known as NESC Rule 250D, "Extreme Ice with Concurrent Wind Loading." NESC Rule 250D is a probabilistic load case with a 50-year Mean Recurrence Interval. These analyses by industry experts continue today and as new information and data points become available and validated, updates to the standards are published if and where appropriate. The current version of the NESC is 2017 and a revision is anticipated in 2023. LCRA TSC believes that the minimum requirements published in the present day NESC and used by utilities for facility design, construction and operation are appropriate to address potential severe weather events.

III. RESPONSE TO QUESTION 2

Question 2:

Do existing market-based mechanisms provide sufficient opportunity for cost recovery to meet the weather reliability standards proposed in the discussion draft? If not, what cost recovery mechanisms should be included in the proposed rule?

As the Commission is aware, market-based mechanisms do not apply in the context of TSPs' implementation of Senate Bill 3. However, LCRA TSC is concerned that the proposed rule, as drafted, could be interpreted to require the upgrade, rebuild, replacement or overhaul of a potentially significant number of existing transmission line and substation facilities, depending on the results of the proposed 98th percentile weather study and the new, potentially retroactive requirements to which TSPs might be subject.[1] While it is impossible to quantify the estimated cost of any potential projects at this time, the Commission should be mindful that the impact to ERCOT ratepayers could be staggering.

IV. RESPONSE TO DISCUSSION DRAFT

Comments on subsection (i) - Weather reliability standards for a transmission service provider

Without the benefit of the proposed weather study having been performed, LCRA TSC cannot at this time envision what outputs that this study—and a "98th percentile" case in particular—could produce that would require different weather preparation measures that TSPs currently undertake. The simple fact is that prudent emergency operations do not change dramatically if the forecasted extreme weather is 16 degrees rather than 18 degrees Fahrenheit. The notion of tying compliance to the results of this proposed weather study is also questionable, given that the focus of the statute is on preparation, not performance. Unless the Commission would re-write the legislation to require TSPs to redesign and reconstruct their facilities to

[1] The language on page 10, lines 3-8 and 14-17 of the discussion draft is especially problematic.

withstand different and more stringent design criteria than what applied historically—which LCRA TSC submits would be cost-prohibitive to ratepayers and contrary to the Legislature's intent—the outcome of ERCOT's weather study is largely irrelevant to how TSPs will have to comply with this statute.

LCRA TSC proposes the following revisions to the discussion draft rule language to reflect these comments and more closely adhere to the text of Senate Bill 3.

> **(i) Weather reliability standards for a transmission service provider.** A transmission service provider must **implement** ~~**maintain**~~ **weather preparation** measures **to prepare its facilities to maintain service quality and reliability during a weather emergency. The measures must be based on the facility's operating history and lessons learned from issues identified during prior severe weather events** ~~**that reasonably ensure that its transmission system can provide service at the system's applicable rated capabilities as defined by ERCOT under the 98th percentile of each of the extreme weather scenarios specified in the weather study approved by the commission under subsection (c) of this section**~~ and must, at a minimum, be in conformance with good utility practice.

Comments on subsection (j) – Implementation of weather reliability standards for transmission facilities

As the focus of the statute is on preparation, and not performance to specific weather criteria, there is no basis for prolonging implementation of the Commission's rule. TSPs should be required to make any updates to their weather preparation measures in their periodic reports to

the Commission as required under 16 Tex. Admin. Code §§ 25.53, 25.94, and 25.95. Accordingly, LCRA TSC recommends deletion of subsection (j) of the discussion draft.

Comments on subsection (k) – Compliance with weather reliability standards by a transmission service provider

As drafted, this section of the rule is impermissibly vague. It is not clear from this language what a TSP will have to report that it does not already provide to the Commission and ERCOT subject to the requirements in existing rules and Protocols. The Commission should clarify precisely what additional information regarding "activities related to compliance" and what information it will require ERCOT to prescribe in its "market rules" in order to provide fair notice to TSPs subject to compliance with this rule.

Comments on subsection (l) – Inspections for a transmission service provider

LCRA TSC supports the requirement in Senate Bill 3 that ERCOT must inspect TSPs' facilities for compliance with the requirement to implement measures to prepare the facilities for a weather emergency. The draft rule should recognize, however, that it is at least as important for ERCOT to review TSP's maintenance procedures and weatherization protocols as it is for ERCOT to inspect their physical assets. Apart from certain equipment, such as transformers, circuit breakers, and switches, visual inspections may be of limited value for much of the rest of a transmission system in terms of identifying issues of potentially insufficient weatherization preparations.

V. SUMMARY AND CONCLUSION

LCRA TSC appreciates the Commission's consideration of these comments and looks forward to working with the Commission Staff and other stakeholders to develop appropriate rules to enhance the Commission's oversight of utility weatherization standards and practices.

Respectfully submitted,

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Texas Climate Patterns

- NESC Combined Ice & Wind District Loading
- NESC Extreme Wind Loading
- NESC Extreme Ice with Concurrent Wind Loading

0 50 100 miles

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